



Water Governance Research Initiative



NCCARF

National
Climate Change Adaptation
Research Facility

Adaptation Research Network

WATER RESOURCES AND FRESHWATER BIODIVERSITY

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Committee Secretary
House of Representatives Standing Committee on Regional Australia
PO Box 6021
Parliament House
Canberra ACT 2600
Australia

Re: Inquiry into the impact of the Murray-Darling Basin Plan in Regional Australia

To the Committee Secretary,

We thank you for the opportunity to make a submission to the House Standing Committee on Regional Australia into the impact of the Murray-Darling Basin Plan in Regional Australia.

This submission, prepared by the coordinators of the Water Governance Research Initiative – an activity of the National Climate Change Adaptation Research Facility (NCCARF) Water Network – outlines opportunities for embedding a systemic and adaptive governance regime to more effectively manage the situation in the Murray-Darling Basin. The objectives of the Water Governance Research Initiative are to create a community of conversation about water governance in Australia, build collaborative research links, create opportunities for co-researching and information sharing, and provide opportunities for early-career researchers to participate in a national network of researchers and research-users (<http://www.nccarf.edu.au/water/node/5>).

Our contribution to your inquiry draws on the latest international research findings in the area of water governance as well as contributions from a number of collaborative workshops involving water governance researchers from throughout Australia. We have attached a set of relevant documents to this submission. These are listed below along with an explanation of their relevance to the terms of reference (ToR) for the inquiry. **However, as a starting observation we note that the set of TORs that have been used will not allow for a systemic appreciation of the issues confronting the basin and Australia's water governance more generally.** In particular we are concerned that the Committee may lack an appropriate conceptual framework from which to interpret and judge the submissions that are provided. For example, Professor Helen Ingram, Professor of Social Ecology at the University of California Irvine, an international authority on water governance recently concluded that:

'Attempts to design improved water resources management and institutions must attend to context. Standardised reforms have failed time after time ...In general, clumsy solutions that embrace multiple perspectives and appeal to different kinds of logic are preferable.....mixed strategies that appeal to different ways of knowing are likely to be more effective.'

In pursuing its deliberations, we also hope that the Committee has seen the report on the activities of the MDBA, which was prepared by a four person panel of international experts in May of 2010. We raise this issue because recent Australian reform has, too frequently, failed to look out to other 'water governance experiments' that are being undertaken around the world.

We attach the following in support of our submission:

1. **'From water supply to water governance', by Lee Godden and Ray Ison (2010), published in the book 'More than luck: ideas Australia needs now' by the Centre for Policy Development (CPD).**

This Chapter argues that Australia does not currently have the right policy mix for managing water sustainably. In arguing that the ecological integrity of the Murray-Darling Basin needs to be put first in order for management of water to be sustainable, the Chapter references the use of 'balance' concepts and highlights that the short-term political nature of 'balancing' is inadequate for managing the complex dynamic between people and the environment. We argue that the policy goal for managing water in the Murray-Darling Basin should focus on ecological integrity, rather than ecologically sustainable development.

The Chapter also addresses the challenge that it is not always possible to get 'more from less'. With regard to the ToR's consideration of water efficiency, we suggest that there should be a focus on demand-side water managing rather than supply-side solutions.

With regard to the impact of the Proposed Basin Plan on regional communities, the Chapter recommends instituting integrated decision-making in water that reflects the interlinking social, economic and cultural systems that interact with water. This supports a more 'systemic' approach to water managing that takes into account the interconnectedness of water both physically and socially.

2. **'Planning as performance', by Ray Ison and Philip Wallis (2010), to be published in a book of collected essays from the ANU Crawford School Dialogue on the Murray-Darling Basin Plan.**

A central premise of this Chapter is that managing a river system must be done within a context where there is real time capability and decision making. This requires having people capable of working effectively together to create a performance that is both timely and responsive to unfolding, real-time events. Our argument is that traditional governance mechanisms, as exemplified by the Water Act (2007) and the MDBA in its current organisational form and operational practices, may not be fit for purpose. This claim raises questions that are related to assumptions behind the ToR's, about prevailing governance arrangements and the adequacy, or not, of existing policy formulations.

The ToR are concerned with increasing water efficiency in the MDB. From the perspective of this work, more important measures of performance concern efficacy (does it work) and effectiveness (is the purpose clear and being achieved).

This paper is particularly relevant to the ToR addressing previous reform and structural adjustment programs and the impact on communities and regions. Significant opportunities are being lost in a very narrow interpretation of the Water Act (2007) which is, we suggest, related to historical policy silos and lacked of joined up action across ministries. In particular there has been little ownership by any ministry of the question of rural futures and rural livelihoods. Nor are future livelihood possibilities being considered that deliver environmental benefits such as payments for the provision of ecosystems services such as biodiversity maintenance, quality water run-off, wetland maintenance and/or feral animal or noxious weed suppression.

3. **'Strengthening water governance in Australia', *Water Policy Briefing No. 1* produced by the Water Governance Research Initiative (2010).**

This briefing, prepared from a series of collaborative workshops, calls for a dedicated program of research on water governance in Australia, focusing on the potential for *social learning* to improve governance outcomes. *Social learning* is an inquiry-based process of learning among a group of people that can result in improvement of complex and uncertain situations, where pre-determined 'solutions' would otherwise be ineffective. Such processes require *institutional transformation*, informed by systemic thinking, to create an environment in which *social learning* can occur.

This policy briefing is also relevant to the ToR addressing previous reform and structural adjustment. Creating institutional arrangements that enhance the conditions for *social learning* to occur would ensure that any reconfiguration of rural and regional Australia would occur in a systemic 'joined up' way, with outcomes that are equitable and supported by the relevant stakeholders. The role of research, as articulated in the policy briefing, would be to demonstrate how *social learning* could be designed into future governance arrangements.

4. 'National water governance research priorities', produced at our recent national workshop on water governance research, held in Canberra 15-16 November 2010.

The aim of the workshop was to bring together leading researchers and policy practitioners, from a range of disciplinary backgrounds to explore the needs and priorities of water governance research in Australia and to bring forth an agenda of critical research needs for water governance. The outcomes of the workshop are relevant to the ToR's examining the impact on regional communities and the reform process, because they point to research priorities and current gaps in understanding that will limit the effectiveness and capacity of the current, and emerging institutional framework. One key theme is the lack of integration of the multiple values of water into current practices in the MDB. Questions that need to be addressed include: how do cultures and communities develop particular values and visions for water futures, and how are they shared and communicated? Where, when and how does social engagement need to be used in planning to be effective? Other critical issues facing water governance research, policy and practice are: poor communication and lack of common language and understanding; the need for more comparative research into the conditions for effective multi-level governance; and integration of water with climate change and other sustainability challenges in ways that avoid perverse outcomes and unintended consequences.

5. 'Adaptive water governance and systemic thinking for future NRM: Action research to build MDBA capability', by Ray Ison, David Russell and Philip Wallis (2009), published by the Monash Sustainability Institute.

This report describes a scoping study, conducted within the Murray-Darling Basin Authority in early 2009, on building capacity within the MDBA to improve its ability to deliver its functions under the *Water Act 2007*. The study was conducted with a subset of MDBA staff and did not include senior management. However, the study evidenced a clear demand for on-going capability building in systems thinking for better integration and performance within the MDBA. The report contains a series of recommendations for future action within the MDBA, proposed in June 2009, including:

- Use the learning and outcomes of this project to build *organisational legitimacy* – i.e. the MDBA has statutory authority but next needs 'soft' legitimacy. This lays groundwork for 'ownership', 'buy-in' and future compliance. Legitimacy needs to be established at different levels: Ministerial, scientific, MDB community/industry levels, and with the wider Australian community. Establishing and maintaining organisational legitimacy is a process.
- *Build trust* – as one of the cornerstones of organisational legitimacy. Ultimately this rests upon a realistic degree of trust in the 'reasonableness', sense of fair play and 'collectivity' of human beings (within the organisation and out in the community).
- *Build from the inside out* – the components of trust-building and organisational legitimacy are more effectively established within an organisation for it to be considered trust-worthy and legitimate from the outside.
- *Be open to opportunities for creating strategic reflective opportunities for the executive and other staff* – in a time and task pressured environment, more flexible delivery mechanisms could be scoped for the MDBA executive. Approaches could include one-to-one lunches, scenario problem analysis & problem solving, formal presentations to the executive group, and closed group sessions.
- *Find ways for members of the Board to listen and learn* – to people both inside and outside the Authority – this may also open up a strategic approach to managing contentious risk.

- *Distinguish between power and influence* – this relates to perspectives of exclusions and disempowerment. Discussion may assist and enable people to engage and deploy their influencing skills at whatever grade.
- *Engage in alliance building* – this will be a critical component of any next iteration of the project. Essentially the project leaders will need to model their preparedness to take risks with their authority and influence by deploying the new thinking and skills. Conversational coaching may provide a useful ‘safety net’ for these individuals.

These recommendations, and the experiences of the scoping study by staff in the MDBA, were aimed at delivering a greater capacity to embrace change. This required challenging pre-existing ways of thinking, decision-making and working together productively. It is this capacity to *act* in a complex and changing situation that is relevant to all of the ToRs. **Our main point being that if an organisation like the MDBA had been better equipped with systemic and adaptive capability (plus a different organisational form and governance arrangements, as outlined above), then the likelihood of avoiding systemic failure would have been much greater.**

Please feel free to contact us for any further information or clarification regarding our submission.

Yours sincerely

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